Message Text

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O 091635Z JUN 78 FM AMEMBASSY MANAGUA TO SECSTATE WASHDC IMMEDIATE 6808 AMEMBASSY SAN SALVADOR AMEMBASSY SANTO DOMINGO AMEMBASSY TEGUCIGALPA

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E.O. 11652: N/A

TAGS: EINV, ELAB, NU

SUBJECT: LABOR PRACTICES OF ROSARIO RESOURCES CORPORATION

REF: A) STATE 144048, B) MANAGUA 2171 (NOTAL), C) MANAGUA A-95, 8/8/77, D) MANAGUA A-45, 4/29/77

1. AS NOTED IN REF D, ROSARIO EXPERIENCED LABOR PROBLEMS IN FEBRUARY 1976 WHEN WORKERS AT THE ROSITA MINE STRUCK AFTER THE COMPANY DISMISSED HALF OTHE WORKSHOP'S EMPLOYEES AS PART OF A REDUCTION IN FORCE. IT WAS ALSO THE SUBJECT, ALONG WITH OTHER MINING COMPANIES, OF NICARRAGUAN CONGRESSIONAL CRITICISM IN JULY 1977 ON GROUNDS OF ALLEGEDLY UNSAFE AND UNHEALTHY WORKING CONDITIONS, (REF C). IN THE LATTER INSTANCE, A CHAMBER OF DEPUTIES COMMITTEE REQUIRED THE GENERAL MANAGERS OF ROSARIO, NEPTUNE AND EL SENTRION MINING COMPANIES TO TESTIFY ON ENVIRONMENTAL AND WORKING CONDITIONS IN THE MINES, THE FIRST OCCASION IN NICARAGUAN HISTORY THAT HIGH MINING COMPANY OFFICIALS HAD BEEN FORCED TO RESPOND PUBLICLY TO SUCH CHARGES. ROSARIO'S ROSITA MINE DID NOT, HOWEVER, APPEAR TO BE A PARTICULAR TARGET OF CRITICISM AT THAT TIME.

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2. WE HAVE NOT HEARD OF ANY LABOR PROBLEMS INVOLVING ROSARIO'S MINING OPERATIONS IN THE PAST ELEVEN MONTHS. HAD THERE BEEN ANY SIGNIFICANT LABOR PROBLEMS, WE BELIEVE THAT EITHER THE PRO- OR ANTI- GON PRESS WOULD HAVE REPORTED THEM. EMBOFF WHO VISITED SIUNA AND ROSITA LAST MONTH HEARD OF NO LABOR PROBLEMS IN THOSE MINING AREAS, BUT DID NOT PROBE DEEPLY INTO THIS ASPECT OF ROSARIO'S OPERATIONS. ANOTHER EMBOFF PLANS TO VISIT SIUNA LATE NEXT WEEK AND WILL LOOK

INTO THIS MATTER FURTHER.

- 3. EMBASSY WILL CHECK WITH OTHER SOURCES AS WELL IN ORDER TO ASCERTAIN WHETHER ALL IS WELL IN ROSARIO'S LABOR RELATIONS. OUR OVERALL IMPRESSION, HOWEVER, IS THAT ROSARIO--JUST AS MANY OTHER FIRMS, WHETHER FOREIGN OR LOCAL--TENDS TO HAVE A SOMEWHAT PATERNALISTIC ATTITUDE TOWARD ITS WORKERS. IT PROBABLY GIVES THEM MORE IN TERMS OF FRINGE BENEFITS--THOUGH NOT NECESSARILY IN WAGES--THAN LOCAL LAW AND CUSTOM REQUIRE, BUT WOULD OPPOSE ANY UNIONIZATION EFFORTS.
- 4. WITH REGARD TO WORKING CONDITIONS FOR ROSARIO'S MINERS, WE DOUBT WHETHER THESE MEASURE UP TO SAFETY REQUIREMENTS IN U.S. MINES, EVEN THOUGH THEY PRESUMABLY CONFORM TO LOCAL REGULATIONS. AGAIN, WE WILL SEEK TO OBTAIN FURTHER INFORMATION ON WORKING CONDITIONS AT ROSARIO'S MINING SITES.
- 5. LOCAL AIFLD REPRESENTATIVE KNOWS OF NO LABOR ABUSES IN ROSARIO'S MINES AND IS IN GENERAL ACCORDING WITH FOREGOING. SOLAUN

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